

Article 10.

Dissolution and Merger of Units.

§ 162A-850. "Unit" defined.

For purposes of this Article, the term "unit" means any of the following entities created pursuant to this Chapter:

- (1) A water and sewer authority created pursuant to Article 1.
- (2) A metropolitan water district created pursuant to Article 4.
- (3) A metropolitan sewerage district created pursuant to Article 5.
- (4) A metropolitan water and sewerage district created pursuant to Article 5A.
- (5) A county water and sewer district created pursuant to Article 6. (2020-79, s. 2.)

§ 162A-855. Information needed to merge or dissolve.

(a) Prior to any action by the Environmental Management Commission under this Article, for any unit to merge or dissolve, all of the following information must be supplied to the Environmental Management Commission:

- (1) The name of the unit or units to be merged or dissolved.
- (2) The names of the district board members of the unit or units to be merged or dissolved.
- (3) The proposed date of the merger or dissolution.
- (4) A map or description of the jurisdiction of the unit or units to be merged or dissolved.
- (5) The name of the entity with whom the unit or units will be merged, if applicable.
- (6) The names of the governing board members or district board members of the entity with which the unit is proposed to be merged, if applicable.
- (7) A map or description of the jurisdiction of the entity with which the unit is proposed to be merged.
- (8) Resolutions adopted by each district board or governing board requesting the merger or dissolution.
- (9) A request from each chair of a district board requesting a merger or dissolution that a representative of the Environmental Management Commission hold a public hearing in that district to discuss the proposed merger or dissolution and to receive public comment. The date, time, and place of the public hearing shall be mutually agreed to by the chair of the Environmental Management Commission and the chair of each requesting district board.
- (10) A copy of the most recent audit performed in accordance with G.S. 159-34 for the unit to be merged or dissolved.
- (11) A copy of any permits issued by the Department of Environmental Quality to the unit or units to be merged or dissolved.
- (12) A copy of any grant awarded under Article 2 of this Chapter involving the unit or units to be merged or dissolved and any conditions thereof, if applicable.
- (13) Any other information deemed necessary by the Department of Environmental Quality, the Local Government Commission, or the Environmental Management Commission.

(b) Upon receipt of a request to dissolve or merge, the Environmental Management Commission shall provide a copy of all information submitted in accordance with this section to the Department of Environmental Quality and the Local Government Commission.

(c) Upon confirmation of the time and place of the public hearing, each district board of an affected unit and any other governing board affected shall do all of the following:

- (1) Cause notice of the public hearing to be posted, at least 30 days prior to the hearing, at the courthouse in any county within which the affected unit lies.
- (2) Publish the notice at least once a week for four successive weeks in a newspaper having general circulation in the affected unit, the first publication to be at least 30 days prior to the public hearing.
- (3) Publish notice in any other manner required by the Environmental Management Commission. (2020-79, s. 2.)

§ 162A-860. Merger of units.

(a) Any unit may merge with any other unit, any county, any city, any consolidated city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter 160A of the General Statutes, or any joint agency that was created by agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water and wastewater services off the airport premises before January 1, 1995, if the merger is a condition of receiving a grant from the Viable Utility Reserve as provided in Article 2 of Chapter 159G of the General Statutes. The Environmental Management Commission shall adopt a resolution transferring the assets, liabilities, and other obligations to the entity with which the unit is being merged and dissolving the unit as provided for in this Article.

(b) Any unit may merge with any other unit, any county, any city, any consolidated city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter 160A of the General Statutes, or any joint agency that was created by agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water and wastewater services off the airport premises before January 1, 1995, on approval by the Environmental Management Commission, upon consultation with the Department of Environmental Quality and the Local Government Commission. The Environmental Management Commission may adopt a resolution transferring the assets, liabilities, and other obligations to the entity with which the unit is being merged and dissolving the unit as provided for in this Article, if the Environmental Management Commission deems the merger in the best interest of the people of the State.

(c) The Environmental Management Commission shall adopt a resolution dissolving a unit and transferring the assets, liabilities, and other obligations of the unit to another unit when the procedures set forth in G.S. 162A-855 have been completed and all of the following apply:

- (1) Both units are created pursuant to Article 5 of this Chapter.
- (2) Both units are located in the same county.
- (3) The jurisdiction of the units is contiguous.
- (4) The unit to be merged and dissolved does not directly provide sewerage services to any customers.
- (5) The unit to be merged and dissolved leases its assets to the unit with which it is proposed to be merged.

- (6) The unit to be merged and dissolved has no outstanding debts. (2020-79, s. 2.)

§ 162A-865. Dissolution of units.

(a) Any unit may be dissolved if the dissolution is a condition of a grant from the Viable Utility Reserve as provided in Article 2 of Chapter 159G of the General Statutes. The Environmental Management Commission shall adopt a resolution transferring the assets, liabilities, and other obligations as provided for in the grant conditions imposed under Article 2 of Chapter 159G of the General Statutes.

(b) Any unit may be dissolved in order to merge that unit with any other unit, any county, any city, any consolidated city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter 160A of the General Statutes, or any joint agency that was created by agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water and wastewater services off the airport premises before January 1, 1995, and establish a new entity created under the General Statutes, on approval by the Environmental Management Commission, upon consultation with the Department of Environmental Quality and the Local Government Commission. The Environmental Management Commission may adopt a resolution transferring the assets, liabilities, and other obligations to the new entity and dissolving the unit as provided for in this Article, if the Environmental Management Commission deems the merger in the best interest of the people of the State. (2020-79, s. 2.)

§ 162A-870. Effective date of merger or dissolution.

Upon the adoption of a resolution of merger or dissolution by the Environmental Management Commission as provided in this Article, the effective date for merger and dissolution shall be fixed as of June 30 following the adoption of the resolution or the second June 30 following the adoption of the resolution. (2020-79, s. 2.)

§ 162A-875. Effect of merger or dissolution.

(a) Upon adoption of the resolution of merger or dissolution by the Environmental Management Commission, all of the following shall apply on the effective date set forth in the resolution:

- (1) All property, real, personal, and mixed, including accounts receivable, belonging to the dissolving unit shall be transferred, disposed of, or otherwise accounted for as provided in the resolution of merger or dissolution.
- (2) All judgments, liens, rights of liens, and causes of action of any nature in favor of the dissolving unit shall vest in and remain and inure to the benefit of the merged district.
- (3) All taxes, assessments, sewer charges, and any other debts, charges, or fees owing to the dissolving unit shall be owed to and collected as provided in the resolution of merger or dissolution.
- (4) All actions, suits, and proceedings pending against, or having been instituted by, the dissolving unit shall not be abated by merger, but all such actions, suits, and proceedings shall be continued and completed in the same manner as if merger had not occurred, and the merged entity shall be a party to all such actions, suits, and proceedings in the place and stead of the dissolving unit and

shall pay or cause to be paid any judgments rendered against the dissolving unit in any such actions, suits, or proceedings. No new process is required to be served in any such action, suit, or proceeding.

- (5) All obligations of the dissolving unit, including outstanding indebtedness, shall be assumed as provided in the resolution of merger or dissolution, and all such obligations and outstanding indebtedness shall constitute obligations and indebtedness as provided in the resolution of merger or dissolution.
 - (6) All ordinances, rules, regulations, and policies of the dissolving unit shall continue in full force and effect until repealed or amended by the governing body of the merged entity.
 - (7) The dissolving unit shall be abolished and shall no longer be constituted a public body or a body politic and corporate, except for purposes of carrying into effect the provisions and intent of this section.
 - (8) Governance of the district shall be as specified in the resolution of merger or dissolution, which may be amended by the Environmental Management Commission, as needed.
- (b) All governing boards and district boards are authorized to take the actions and execute the documents necessary to effectuate the provisions and intent of this section. (2020-79, s. 2.)